

EXHIBIT 27

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PRESS RELEASE

Private Corrections Institute (www.privateci.org)

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Research Study Finding Benefits from Prison Privatization Conveniently Funded by “Members of the Private Prison Industry”

Nashville, TN – Yesterday, Corrections Corporation of America (CCA), the nation’s largest for-profit prison company, used social media to promote a Temple University study released in late April that alleges financial savings through prison privatization and equal or better performance by private prison companies.

CCA failed to mention, however, that the study lauding the benefits of prison privatization was funded by “members of the private corrections industry,” according to an April 29 press release issued by Temple University. Nor does the research study itself, produced by Temple’s Center for Competitive Government, reveal that it was funded by private prison firms. CCA has cited the Temple study in its 2013 investor presentation.

“Any published or publicly released research should identify all sources of funding in support of that research,” said Prof. Edward L. Queen, J.D., Director of Leadership Education at the Emory University Center for Ethics. “Especially any sources of funding that produce or could produce a conflict of interest.”

Prof. Charles Scott, former director of Vanderbilt University’s Center for Ethics, agreed, stating, “An academic paper presents itself as providing objective knowledge. If that paper and research are funded by a for-profit business, then it is an ethical obligation of the authors to reveal that source of funding.” He indicated that identifying the funding source in a press release, but not in the research study itself, would be ethically inadequate.

The Temple research is the latest in a series of studies and reports that have received funding from the private prison industry. For example, a 2008 study by Vanderbilt University, which found cost savings through a dual public and private prison system, was partially funded by CCA and the Association for Private Correctional and Treatment Organizations (APCTO), an industry trade group that represents private-sector companies and organizations that provide corrections and treatment services. According to its website, APCTO’s founding members include “the major correctional firms that design, construct, finance, and manage correctional secure facilities.”

Other research studies with favorable findings related to prison privatization have been produced by the Reason Foundation, a libertarian think-tank that is pro-privatization. Although the Reason Foundation receives funding from the private prison industry – CCA was listed in Reason’s 2009 donor list as a Gold level supporter while private prison firm GEO Group was listed as a Platinum level supporter – Reason typically does not acknowledge such funding in its articles, reports or research related to prison privatization.

Further, a 2002 study published in the *Harvard Law Review* in May 2002 found favorable results from prison privatization but failed to mention that the author, Alexander Volokh, was previously employed as a policy analyst for the Reason Public Policy Institute – a division of the Reason Foundation, which, as noted above, receives funding from private prison companies. Volokh was an adjunct scholar for the Reason Foundation at the time he published his 2002 study.

“Private prison companies tend to fund research that – unsurprisingly – finds favorable outcomes or benefits from their business model of for-profit incarceration,” said Alex Friedmann, president of the Private Corrections Institute, which opposes prison privatization. “There apparently is no shortage of academics who are willing to sell out to the private companies that fund their studies, and who are willing to deliver the desired results. This is basically bought-and-paid-for research, which private prison firms then reference in their promotional materials.”

Previously, in the 1990s, much of the research on the private prison industry was produced by Professor Charles Thomas, director of the Private Corrections Project at the University of Florida. It was subsequently discovered that Thomas owned stock in the private prison companies he was studying, sat on the board of Prison Realty Trust – a CCA spin-off – and had been paid \$3 million by Prison Realty/CCA. Thomas retired from his University position after those conflicts became known and was fined \$20,000 by the Florida Commission on Ethics.

“It is remarkable how research studies that are funded by private prison firms frequently find cost savings or other benefits through prison privatization, while research that does not receive industry funding – such as a recent report by the Arizona Auditor General’s office – usually find no such benefits,” said Friedmann, a former prisoner who served 6 years at a privately-operated prison in the 1990s. “In fact, I’m unaware of *any* research funded by private prison companies that has failed to find favorable outcomes with respect to prison privatization.”

A September 2010 report by Arizona’s Office of the Auditor General determined that privately-managed prisons housing both minimum- and medium-security prisoners were more expensive to operate than state prisons, after adjusting for comparable costs.

Temple University’s press release on its recent private prison research study is available at the following link; the authors of the study, Prof. Simon Hakim and Prof. Erwin A. Blackstone, have previously advocated for the privatization of government services, including police functions:

www.eurekalert.org/pub_releases/2013-04/tu-cpc042913.php

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